



# **Crowdsourcing as a Tool for Marketing**

## **The Case of xHigh5**

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<p>This thesis is written to provide a crowdsourcing focused marketing plan for the German girl group xHigh5. Its aim is to identify and explain the crowdsourcing methods, which can be used in marketing the group in an affordable, yet effective manner, and then applying the acquired knowledge to the practical marketing plan. Furthermore, the research includes an insight into the pop-music industry and social media marketing.</p> <p>The main research method used was secondary research, which consists of searching for writings relevant to this case in published literature, as well as online resources. The literature review consists of crowdsourcing and marketing plans. Primary research was conducted in the form of an email interview with the founder of the group in order to gain an understanding of how the group has been marketed so far, and also of their success.</p> <p>As a result of the literature review process combined with the information acquired through the email interview, a marketing plan was crafted for xHigh5. The marketing plan focuses on crowdsourcing methods, as decided. It does, however, also include social media marketing due to its relevance to the case, as well as its position in crowdsourcing activities. In addition to crowdsourcing and social media, the marketing plan includes a brief analysis of the matters defined in the literature review on marketing plans.</p> <p>It is hoped this study will provide MoonCloud Entertainment with a good understanding of which crowdsourcing methods to use when marketing xHigh5, and why, as well as helping them to better understand the importance of marketing plans and continuous marketing planning.</p>	
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<p>Tämä opinnäytetyö käsittelee joukkoistamismenetelmiä, joita voidaan hyödyntää saksalaisen tyttöryhmän, xHigh5:n, markkinoinnissa. xHigh5:n tapauksessa joukkoistaminen on toivottava osa markkinointia, sillä sen toteuttaminen onnistuu myös täysin ilman taloudellista panostusta. Työn tavoitteena on tarjota xHigh5:lle joukkoistamismenetelmiin pohjautuva markkinointisuunnitelma, jota voidaan käyttää ohjekehyksenä ryhmän markkinoinnissa. Saavuttaakseen tämän tavoitteen kirjoittaja laati seuraavat tutkimuskysymykset: millä tavoin joukkoistamista voidaan hyödyntää tyttöryhmän markkinoinnissa saavuttaakseen suuremman yleisön ja saadakseen enemmän julkisuutta? Mitkä joukkoistamismenetelmät toimivat kyseisen tyttöryhmän kohdalla tavalla, jonka avulla ryhmän yleisön kasvu on maksimaalista ja täten myös kasvattaa ryhmän myyntitulosta? Työ sisältää vain xHigh5:n kannalta mahdollisia markkinointimenetelmiä, eikä siinä oteta huomioon menetelmiä, joita ei voida käyttää. Tutkimustyö koostuu pääasiassa työpöytä-tutkimuksesta, jossa lähteet löytyivät niin alaan liittyvästä julkaistusta kirjallisuudesta kuin internetmateriaalistakin. Joukkoistamisen lisäksi työpöytä-tutkimus käsittelee markkinointisuunnitelmia. Osa tutkimustyötä oli myös perustutkimus, joka toteutettiin sähköpostihaastattelun muodossa xHigh5:n perustajan kanssa. Tutkimustyön tulos on joukkoistamismenetelmiin perustuva markkinointisuunnitelma xHigh5:lle. Suunnitelma rakentuu tutkimuksessa kuvaillun teoreettisen viitekehyksen ympärille, ja se koostuu johdannosta, markkina-analyysistä, SWOT-analyysistä, budjetista, yleisön määrittelemisestä, joukkoistamisstrategiasta, strategian toimeenpano-osiosta, onnistumista mittaavien lukujen määrittelystä, tavoitteista, sekä lisäehdotuksesta. Opinnäytetyön perusteella voidaan todeta, että joukkoistamismenetelmiä voidaan käyttää xHigh5:n markkinoinnissa alhaisellakin budjetilla. Myös sosiaalisen median tärkeys osana joukkoistamista nousee esille, erityisesti ryhmän fanien aktiivisuutta edesauttavana tekijänä. On myös huomiotava, että muodostettu markkinointisuunnitelma ei ole lopullinen suunnitelma, vaan ohjekehys markkinoinnin suunnittelulle.</p>	
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<p>Detta examensarbete skrivs för att ge en crowdsourcing fokuserad marknadsplan för den tyska tjejgruppen xHigh5. Syftet är att identifiera och förklara de folkmässiga metoder som kan användas för att marknadsföra gruppen på ett överkomligt men ändå effektivt sätt och sedan tillämpa den förvärvade kunskapen på den praktiska marknadsplanen. Dessutom innehåller forskningen en inblick i popmusikindustrin och marknadsföring av sociala medier.</p> <p>Den huvudsakliga forskningsmetoden som användes var sekundärforskning, som består av att söka efter skrifter som är relevanta för det här fallet i publicerad litteratur, samt online resurser. Litteraturrevisionen består av crowdsourcing- och marknadsplaner. Primärforskning genomfördes i form av en e-postintervju med gruppens grundare för att få en förståelse för hur koncernen har marknadsförts hittills och även om deras framgång.</p> <p>Som en följd av litteratur granskningsprocessen i kombination med informationen som förvärvades via e-postintervjun, skapades en marknadsplan för xHigh5. Marknadsplanen fokuserar på crowdsourcing-metoder, som kan användas i deras marknadsföring. Det inkluderar emellertid också sociala medier marknadsföring på grund av dess relevans i ärendet, liksom dess ställning i crowdsourcing aktiviteter. Förutom crowdsourcing och sociala medier innehåller marknadsplanen en kort analys av de frågor som definieras i litteraturgranskningen om marknadsplaner.</p> <p>Önskemålet är att denna studie kommer att ge MoonCloud Entertainment en bra förståelse för vilka crowdsourcing metoder som ska användas vid marknadsföring av xHigh5 och varför, samt att hjälpa dem att bättre förstå vikten av marknadsplaner och kontinuerlig marknadsplanering.</p>	
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# 1 INTRODUCTION

Crowdsourcing is a phenomenon, that was first introduced by Jeff Howe and Mark Robinson in an article in Wired Magazine in 2006. It describes a process where labor is organized to complete work of a company or an organization to a crowd, usually online. (Whitla, 2009) Due to its advantage of reaching many potential workers with diverse skills and expertise at a reduced cost (Whitla, 2009), crowdsourcing is perhaps one of the most effective ways to conduct marketing in the future.

Back in the days, the only way seen to bring success to a music group or an artist was to land a deal with a record label. Courtesy of the internet and low-cost recording equipment and technologies, the do-it-yourself music industry has become huge, enabling the making of music with lower cost than previously. Marketing these do-it-yourself musicians and groups is ultimately their own task. (Baker, 2001) Given the circumstances, not all aspiring artists have the resources to conduct full-on marketing campaigns that cover all media, which limits the possibilities to do marketing to the methods that are affordable.

As the marketing methods of Western girl groups and Korean girl groups differ quite significantly, finding the most effective crowdsourcing methods for xHigh5's marketing plan can be expected to be a challenge, as the group is western but their music and concepts are similar in style with Korean girl groups' releases.

Using crowdsourcing to minimize marketing costs appears to be an achievable way to help xHigh5 to reach a broader audience and to improve their sales. Involving fans in the marketing process will help them engage and feel a connection to the group. In this research, the crowdsourcing methods that can be used as affordable and realistic marketing methods in the case of xHigh5 will be identified and discussed, and a marketing plan will be crafted based on the theoretical framework.



## **1.1 Thesis Background**

The author chose to pursue research on crowdsourcing as a marketing method due to its ever-growing presence in the field of marketing. Having grown up in the era when social web developed into platforms full of opportunities, the author considers it one of the most important and effective channels for reaching large audiences in a cost-effective manner. Crowdsourcing falls into the category of low-cost yet effective marketing methods and thus has spiked the interest of the author.

The case study was requested by MoonCloud Entertainment, currently preparing the comeback of the girl group xHigh5, to help them gain more audience through low-cost marketing, as the usable funds are rather limited and come from the band members and their founder directly. It was agreed that the study would result in a brief marketing plan focused on the crowdsourcing methods that can be utilized in the marketing of xHigh5.

## **1.2 Research Aim**

The aim of this bachelor's thesis is to explore, identify and describe the ways crowdsourcing which could be effectively implemented in the marketing process of upcoming promotions, and promoting the already existing mini album of a newly launched K-pop style girl group, xHigh5, based in Germany, in an affordable manner, which will be effective in achieving new milestones in both sales and the number of fans. The research will result in a crowdsourcing focused marketing plan that can be found in the appendices.

## **1.3 Research Questions**

The aim of this research can be presented in two research questions:

1. In what ways can crowdsourcing be used to market a girl group to reach new audiences and gain more recognition from the public?
2. Which crowdsourcing methods serve the girl group in question in a way that maximizes the growth of their audience and ultimately the group's sales?

Conducting the research with these two questions in mind, the relevant information will be included in this study and then utilized in the marketing plan.

## **1.4 Demarcation**

This research includes the relevant aspects of crowdsourcing in the context of marketing xHigh5, a girl group, internationally and online. It is limited to those methods that can be used in marketing but excludes methods impossible to use for promoting xHigh5's current and future releases. Highly effective marketing methods for the pop music industry will be considered even if the current funds of xHigh5 are not sufficient, as it is possible such methods can be used in the future. The theoretical part of the research will include some basic definitions to provide the reader with an understanding of the topic, as well as more focused research as mentioned above. In addition to crowdsourcing, the theoretical framework of this thesis includes the theory of strategic marketing planning, that is essential regarding the outcome of this work – a marketing plan.

## **1.5 The Background of xHigh5**

xHigh5 is a K-pop style girl group based in Germany. The group released their first mini-album “First Try to Love” in 2016, and they used Facebook and YouTube as their main platforms while promoting the album. As the sales and online statistics of their album have room for improvement, the agency of the group, MoonCloud Entertainment, seeks to put more focus on marketing in an attempt to attract more interest and gain a bigger and a more international fan base. As the resources for marketing are limited, the group's success depends highly on cost-free or minimal cost marketing methods, such as activities on social media and crowdsourcing campaigns.

xHigh5 is a vocal and a dance group, and is the first K-pop inspired recording girl group in Germany and consists of four active members – three Vietnamese girls, and one German girl, their ages ranging from 16 to 18. Before debuting musically with their title song “Game B.O.Y” in November 2016, the group has been an active five-member dance cover group from Chemnitz, Germany. The release of their first mini album consisting of four songs took place in December when the album “First Try to Love” was

released in both physical and digital form. As of 5<sup>th</sup> of December 2017, xHigh5's YouTube channel has reached the 1,100-subscriber milestone and have over 279,000 views, and their debut music video "Game B.O.Y" has a view count of over 4,300 views. The video with most views on xHigh5's channel is a dance cover of a K-pop girl group Twice's song "Cheer Up" with over 71,000 views. xHigh5 also has over 600 likes on their Facebook page, 850 followers on Twitter and over 600 followers on Instagram. This data is compiled in Table 2 and Table 3 in the Appendices.

This winter, the group is planning to release a new album accompanied by a music video on one of the new songs. They will also keep uploading cover songs to get more views and fans through their YouTube channel, thus reaching people who are interested in the similar style of music that they represent. Co-operation with various partners, for example, online magazines and websites promoting and focusing on Asian cultures, will also be pursued to reach more people.

## **1.6 The Global Market of Popular Music**

In IFPI's (International Federation of Phonographic Industry) overview on the global market in the music business in 2015, the main points discussed are digital sales claiming the bigger portion of the market share than sales of physical formats, which are 45% and 39% respectively. Although the number of digital sales decreased, the increase in streaming services resulted in the increase of digital sales. (IFPI, 2016)

This positive trend suggests, that after more than ten years of decline, record companies have been able to adjust to the changes in consumer behavior, accomplish anticipatory licensing of new services, keep investing in talent and to bring artists to a global audience in an innovative manner. Due to the streaming revolution, consumers are more engaged, including an audience of consumers previously were not included in the licensed music environment, thus promoting the growth of the market. (IFPI, 2016)

Even with the help of streaming services, the artists and music producers are not receiving fair compensations for their work, resulting in a so-called value gap. Some user upload services, such as YouTube, are a potential barrier of payments reaching the rightful

owners, which results in the consumption of the services being massive despite the artists and producers getting comparatively minuscule payments. The competitiveness of streaming service market also creates a value gap, as some streaming services, like Spotify, also result in the remuneration to artists not reaching the maximum level, as the premium service subscribers are difficult to attract. (IFPI, 2016)

The estimated user base of digital music platforms goes beyond 900 million, yet the occurrence of the value gap leads to the portion of these industry revenues being very small. (IFPI, 2016)

Diving more into this section, two key factors affecting the marketing of xHigh5 will be discussed.

### **1.6.1 Market Competition**

As xHigh5 is a K-pop style group western pop group, the competition can be identified to be either Korean groups and artists or western groups and artist, or both. The amount of the groups and artists that can be identified as xHigh5's competition cannot exactly be measured, as all the groups and artists in similar genres – both K-pop and western pop music – should be considered. Thus, focusing on competing with the other artists is unrealistic at this point in xHigh5's career, as it could raise the expectations too high. Because of the low budget of xHigh5 and their debut album being released relatively recently, they are not yet well known, thus focusing on increasing their own sales and gaining more followers on their social media channels would be more rewarding than trying to beat their competition. In other words, xHigh5 should compete with their previous achievements instead of others.

### **1.6.2 Platforms**

The way of consuming music differs from country to country. Some prefer streaming, and some prefer to buy a physical copy of the music. The genre of the music also influences the way of purchase: EDM music, for example, is more often streamed through paid subscription than pop albums are. (Caruso, 2016)

In Germany, where xHigh5 is based, the consumers' preference of purchasing music is through purchasing physical formats: the market share of CD sales was at 52.3% in the end of 2016, the share of vinyl sales was at 4.3%, and the total market share of all physical format was at 60%, while digital sales took up a market share of 40%. The physical sales, as well as digital downloads, are declining, as streaming is gradually taking over the market, suggesting that even in Germany, physical music consumption will eventually become a niche market. (Caruso 2016)

xHigh5's first mini-album "First Try To Love" was released in both digital and physical formats, bringing it available to a wider audience compared to just releasing music in one format. Additionally, xHigh5's music is available on multiple internationally known and used online platforms, including YouTube and Bandcamp, as well as the following platforms to sell their music: iTunes, Amazon, Google Play, Spotify, Deezer, Napster, and Tidal.

## **2 RESEARCH METHODOLOGY**

In this chapter, the methods used while conducting research on crowdsourcing, marketing plans and their relation to music marketing are described. In addition to the research methods, the interview conduction and interviewee, as well as the limitations of the research will be discussed.

### **2.1 Method**

The primary data was collected through conducting an email interview with the founder of MoonCloud Entertainment and xHigh5, to assist in the creation of the marketing plan for the band in question. The interview guide will be included in the Appendices of this thesis work. Data was also collected from various online websites, such as xHigh5's YouTube channel, Facebook page, Twitter, and Instagram. A full table of the websites included in the research as well as the data extracted from those websites can be found in the form of a table in the Appendices.

The secondary data resources include qualitative data from publications, such as books, previous research, articles, blogs and online reports concerning crowdsourcing and marketing. All the resources used can be found in the References section of this thesis.

## **2.2 Approach**

The approach taken to conduct the research for this thesis work is from a theoretical point of view, which results in a practical work. The theoretical approach includes the use of literature and online material on the subject, as well as data from an interview and a variety of websites that indicate the popularity and achievements of xHigh5. This data can be found in the form of tables in Appendices B and C. The practical outcome of the research, the marketing plan, can be used when promoting xHigh5.

## **2.3 Data Collection**

Despite the risks of conducting an email interview, the qualitative interview that was facilitated to be used in the collection of the data for this thesis was conducted through email due to inconveniences in the schedules of the interviewer and the interviewee. Another factor that drove the author to choose this method of conducting an online interview was its unfamiliarity to most people (Bryman, 2012).

While designing the interview, the author weighed the options of sending all the questions at once by using a structured interview, or alternatively conducting the interview by sending one question at a time followed by a reply basis, which would have given the author a chance of altering the follow up questions according to the answers given by the respondent. (Bryman, 2012) Although sending the interview questions one by one would have resulted in more trustworthy answers as sending all questions at once may result in the respondent replying only the questions they feel like they can make a more authentic contribution to (Bryman, 2012), the author chose to send all the interview questions at once to the respondent.

The interview questions were divided into the following categories: Background; Marketing; Crowdsourcing & Fan Engagement; Crowdsourcing Marketing Plan; and Final

Thoughts. The purpose behind the structure was to help the interviewee to better understand the flow of the topics and to guide the answers to focus on the right categories.

The interview guide designed for and used in this thesis work, as well as the findings resulting from the interview, can be found in the appendix A.

## **2.4 Limitations**

Since the research was conducted with xHigh5 in mind, the theoretical framework consisted not of all crowdsourcing methods, and hence the research could be considered incomplete. The theoretical framework of this thesis works merely as a research for xHigh5's marketing plan, which the author chose to complete with crowdsourcing in mind. The original plan was to identify crowdsourcing methods that can be used in marketing xHigh5, then implement those methods, and then measure the relative success of the methods used. However, as the comeback of xHigh5 was delayed from June 2017 to an unspecified time in winter 2017-2018, the direction of the research was shifted during the writing process. Due to this, the original measurable results cannot be achieved, and the thesis resulted in a marketing plan which' effectiveness is to be seen in the future.

One complexity that the author encountered is the difficulty of differentiating between crowdsourcing, social media marketing, and viral marketing, as the three seem to be connected yet independent of each other. This may have resulted in some of the thesis being inconsistent with other works regarding similar subjects. Thus, the marketing plan includes elements of each, so it is not as limited to mere crowdsourcing marketing as originally planned.

The limitations of the interview include the lack of follow-up questions and therefore the lack of some pieces of information that may have been an essential contribution to the research. Conducting the interview through email evokes questions about the validity – however, as the author is pre-acquainted with the interviewee and is knowledgeable of the band in question, they deem the interviewee a trustworthy source.

### **3 CROWDSOURCING**

“Crowdsourcing is a means of organising and coordinating the labour of individual human beings. You use the Internet and computer software to contact individuals, offer them things to do, and collect the results of their work.” (Grier, 2013, p.10)

Looking deeper into this definition, the means of using individuals to do the work is done by a crowdsourcer, in a context which is usually known as crowdmarket. When the crowdsourcer asks the people of the crowdmarket to contribute to the task at hand, they are crowdsourcing the task. In return for their work, the contributors then receive compensation, which can be monetary or even something intangible, such as gratitude. (Grier, 2013)

Crowdsourcing shows how a crowd is talented, creative, and useful in bringing knowledge to companies and organizations. It is a phenomenon that can be used in various marketing tasks, such as product development, advertising, promotion as well as market research. Given that the context is precisely described and the crowdsourcer is able to identify the expected results, the most suitable crowdsourcing model can be chosen and the expected standard can be met. (Whitla, 2009)

#### **3.1 The Three Elements of Crowdsourcing**

As crowdsourcing is a model which takes advantage of crowds by outsourcing specific organizational tasks to them, often utilizing similar internet technologies as social media, the crowdsourcing model of a business or an organization can be built harnessing these three elements (Saxton *et al.* 2013). The sourcing model used in crowdsourcing is where outsourcing, social web, and crowd intersect (Figure 1). This suggests that the elements of a crowd, outsourcing, and the social web are essential segments of the crowdsourcing phenomenon. Each of the elements will be further discussed in sections 2.2.1, 2.2.2 and 2.2.3 respectively.



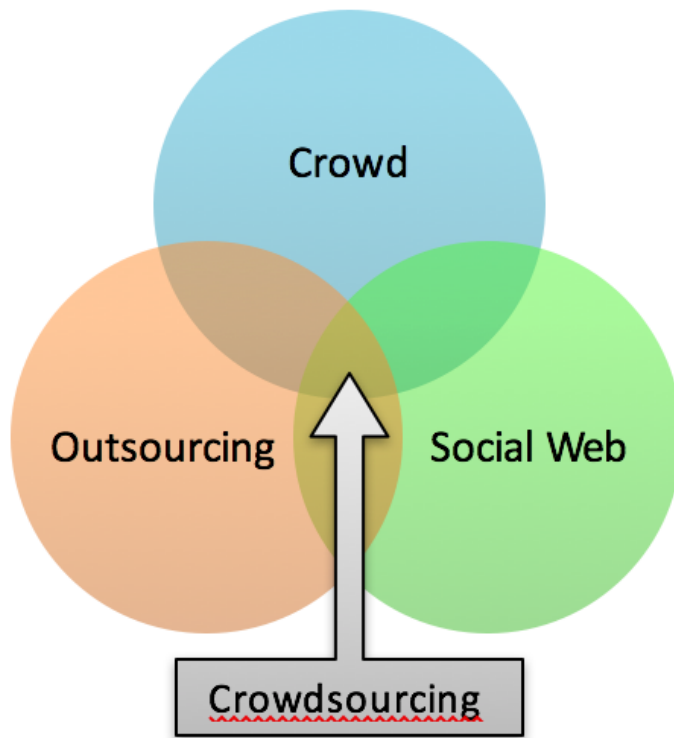


Figure 1. The three defining elements of crowdsourcing (Saxton *et al.* 2013, p. 3)

### 3.1.1 Crowd

The crowd used in crowdsourcing is an online, undefined, non-professional and heterogeneous crowd, which can be used to source the needs of a business or an organization. The online community can provide service to the company or organization crowdsourcing their tasks in producing, innovating and finding solutions to problems. The assumption is, that the crowds used will outperform the professionals that would otherwise be performing the task at hand. (Saxton *et al.* 2013) Outperforming professionals will be discussed more in depth in section 2.4.1.

Although fandoms have historically maintained para-social relationships with the producers, the current trends show that these relationships have taken a shift towards more meaningful relationships. The fans can provide artists with not only friendship and connections but also with business partnerships. (Larsen & Zubernis, 2012) The fans of

xHigh5, both current and future fans, can be expected to become the crowd powering the efforts to grow the group's popularity and gain them more attention.

### **3.1.2 Outsourcing**

Outsourcing is “contracting with a third-party supplier for the management and completion of certain amount of work, for a specified length of time, cost and level of service” (Oshri *et al.* 2015, p. 7). One of the main reasons to outsource is to reduce costs, along with being able to access skills not available inside the organization and various other aspects. (Oshri *et al.* 2015) Being a small-scale outsourcing (Gefen & Carmel, 2008), crowdsourcing shares objectives similar with those of outsourcing, where sourcing the business' or organization's needs from exogenous entities to reach goals (Saxton *et al.* 2013). These reasons stated are also the reasons why outsourcing the promotion tasks to fans through crowdsourcing is desired in the case of xHigh5.

### **3.1.3 Social Web**

The social web, commonly known to include social network websites, is “the online place where people with a common interest can gather to share thoughts, comments, and opinions” (Weber, 2009, p. 4). In addition to social network websites, such as Facebook, the social web includes branded websites as well as enterprise sites. The content of the social web is formed of unpaid media created by either individuals or enterprises. Some of the strategies that are commonly used in regard to the social web are reputation aggregators (search engines), blogs, topic-specific e-communities and social networks. (Weber 2009)

What makes social web unique is its capacity to gather knowledge from a crowd, then to compose structured and usable knowledge from it. In crowdsourcing, these advanced web-based technologies can be used to reach a large scale of audiences that can be assigned to tasks at low cost, enabling both big and small organizations to outsource a variety of tasks to online crowds. (Saxton *et al.* 2013)

Although xHigh5 is physically located in Germany, their audience is not limited to domestic fans. Both domestic and international fans can be reached through the social web, making it a crucial part of marketing the group. Although expecting xHigh5 going viral can be a little far-fetched, as it is difficult to foresee what kind of content will garner attention from the online crowd and few purposeful attempts of viral marketing succeed (Nazir *et al.* 2008), the social web provides an opportunity for growing the fanbase and thus increasing xHigh5's sales.

### **3.2 Crowdsourcing and Marketing**

Nowadays, the customer-focused marketing approach is more commonly used by organizations, creating a product or a service only after considering the consumers' needs and wants (Varbanova, 2013). Thus, the importance of identifying what the existing and the potential consumers of xHigh5's music want to hear and what they expect to see in the music video is emphasized.

To utilize crowdsourcing methods in defining the consumers' wants, a look at the potential a crowd has is in place. Firstly, a crowd has an ongoing presence, they are available, and their reaction is fast. Secondly, the close relationship with the crowd that is a requirement for crowdsourcing is necessary to build through technological media. Thus, the tasks that are not possible to guide through technological media are out of range for crowdsourcing. (Lebraty & Lobre-Lebraty, 2013)

Whitla (2009) discusses three different crowdsourcing methods that can be used in marketing; product development, advertising and promotion, and marketing research. These three methods will be discussed in sections 2.4.1, 2.4.2, and 2.4.3 respectively.

Because the utilization of technical media is vital to crowdsourcing, social media is an important tool for executing the crowdsourced marketing campaigns. In the case of xHigh5, encouraging the fans to interact with the group and to share their music and videos and to discuss them online should be encouraged, as this could help in promoting the group and bringing them into the attention of a bigger audience.

### **3.2.1 Product Development**

Product development and design are marketing tasks commonly outsourced to a crowd to obtain input and advice from their existing customers and experts on their own product and design development efforts. A portion of companies have outsourced the product design process to crowdsourcing-communities, and then share the profit of the end-product. Another form of product development takes place when firms crowdsource not only the design or the idea behind the product but also the product or service itself. Utilizing the crowd in product development process is not a new phenomenon, however, as suggestions and advice on developing both new and existing models have been practiced for years. Often this has been the task of salespeople, who collect feedback from customers, which can then be exploited in product development. (Whitla, 2009)

What makes crowdsourcing different from the more traditional way of utilizing the existing customers' viewpoints, is that firstly, the number of consumers to provide information can be increased, and the ideas are not received only from existing customers, but from potential customers as well. This provides the company or the organization with a new way of opening contact with the potential customer base. The consumers engaging in the crowdsourcing process are likely to be of higher quality, as they are presumably the most demanding customers of the company. Secondly, the information gained through crowdsourcing will not be filtered through the distribution channels, and the communication takes place directly and instantly. Thirdly, the product development areas can be modified by the firm to make the crowd focus on a specifically tailored area. (Whitla, 2009)

Crowdsourcing enables companies to go beyond asking for assistance on their existing product development, as companies can engage several potential users to use their information and experiences to design or create products of their own, which the company can then produce for their end-users. (Whitla, 2009)

### **3.2.2 Advertising and Promotion**

Two distinguished forms of crowdsourcing can be used in the fields of advertising and promotion: outsourcing the tasks that the company has no time nor human resources to

complete to a crowd, and finding expertise on creating advertising and promotional campaigns from a crowd. (Whitla, 2009)

The advertising and promotional tasks crowdsourced are commonly not easy to computerize and might require the crowd to complete tasks that require physical distribution of the adverts. Writing positive reviews on a company's products is another way of crowdsourcing advertising and promotion, as the reviews will increase the online visibility of the product or brand. On the negative side, crowdsourcing can be used to engage in an activity called click-fraud, where the revenue of the website where the ad is located or the costs of the company whose ad is placed on the website can be manipulated. (Whitla, 2009)

Crowdsourcing the creation and development of advertising and promotional activities has been used especially by smaller companies. Taking an outlook to what is to be expected in the future, one speculation is that crowdsourcing will take over many activities previously performed by marketing professionals, examples of these tasks being PR, copywriting and development of audio and visual materials. Hiring a traditional advertising agency to execute advertising and promotional tasks does not provide as many ideas, diversity and as much input as crowdsourced tasks do, due to which crowdsourcing has a pronounced advantage over the traditional ways of outsourcing advertising. (Whitla, 2009)

### **3.2.3 Marketing Research**

Utilizing crowdsourcing for marketing research purposes is often the first thought of marketing managers, who are informed about crowdsourcing as a way of acquiring information at a relatively low cost from a broad group of customers. In most cases, where the marketing research is crowdsourced, the users are paid a small compensation for answering a questionnaire. However, this method does not replace activities completed by companies' employees, leaving room for speculation as to if it is truly a form of crowdsourcing. (Whitla, 2009)

Crowdsourcing marketing research can also be problematic, especially if quantitative analysis of closed-end questions is used because the crowd is paid to provide information to the company. The compensation can be supposed to affect the answers of the crowd taking the questionnaire, which could result in overly positive results on a company's products or services. One other problem with this type of crowdsourcing, as in any case of using paid research, is that there is no way of knowing whether the crowd used represents the target population and how accurately so, which may distort the validity of the sample. (Whitla, 2009)

Verifying the identities of the chosen sample can be challenging even when the individuals to access the task chosen are selected with certain criteria, as the user behind the screen cannot be known to be who they claim to be with certainty. The research operations are being adopted by marketers to minimize these errors. For example, open-ended questions are set to require a minimum amount of words, which reduces multiple entries by one individual, and allows companies to evaluate the each of the answers. (Whitla, 2009)

Market research aimed at collecting expert information, through evaluation of these samples, elimination of unqualified samples and selection of qualified samples, can be completed through restricting the sample group in terms of their knowledge and experience. There is a downside to paying for this kind of information, as some companies have given monetary compensations to people enlightening them about their competitors' plans or activities, which suggests, that the employees of the competitors' have provided this information. (Whitla, 2009)

### **3.3 Crowdsourcing Methods**

The crowdsourcing methods discussed in this section are utilizable in the case of xHigh5 and could be considered to be used in the marketing process of the band.

### 3.3.1 Crowdwisdom

Crowdwisdom is a crowdsourcing method which aims to find answers to questions from the crowd and skips the use of experts and critics. The presented questions are to be simple and be reached by as many people as possible. It provides the crowdsourcer with the opinions and thoughts of the crowd on the questions. This method will likely provide the crowdsourcer with a good amount of responses, as the democratization of the internet has pushed a number of people to present their opinion on everything. It provides an alternative to traditional suppliers of the activity, such as experts, critics, and opinion-makers. The crowdwisdom method is powerful and easy to implement and will continue developing. (Lebraty & Lobre-Lebraty, 2013)

When searching answers to a question or asking for a solution to a problem, crowds can be expected to represent the answer of the smartest member of the crowd, making it an excellent tool for decision making. The basis of a truly successful decision-making focuses on how the world will be, and not only how it currently is. A crowd can help to provide a larger diversity of suggestions, which includes perspectives on the matter that would not be considered otherwise. A crowd can also help determine the accuracy as to the effectiveness of the suggestions. Regardless of how intelligent a few people may be in making decisions, a diverse crowd of people with varying knowledge and insight of the matter can be more reliable than the two experts. (Surowiecki, 2004) As discussed in section 2.3.1 and 2.4.1, the crowd can be assumed to exceed the performance of professionals and experts (Saxton *et al.* 2013), making it a more effective tool for creating and developing marketing contents than that of experts.

As for marketing xHigh5, crowd wisdom could be an option considered to conduct market research, which would provide information on what kind of songs and styles the viewers prefer, and help with developing xHigh5's new releases to become as appealing to the fans as possible. The better the product – music and concepts – reflect the expectations of the fans, the more the fans will be motivated to endorse the group on social media channels and through word-of-mouth. Thus, product development conducted with the help of crowdwisdom will bring more attention to the band, increasing the financial benefit.

### **3.3.2 Crowdfunding**

This method, also known as crowd financing or crowd investing, provides the companies with help to finance the product through the crowd. It can be defined as “the collective cooperation by people who pool their funds, usually via the Internet, to support efforts initiated by other people or organizations.” (Dresner, 2014, p. xi)

One of the ways crowdfunding can be used regarding artists, is to seek monetary support from fans for new project launches. Much like with crowdwisdom, social networks enable the organizations to reach crowds that may start to pique interest in funding the product, and ultimately crowdfunding is a combination of group funding and social networking. (Dresner, 2014) Typically, crowdfunding works well for projects that require low or moderate funding and can involve any product or a project that can be publicly presented. (Lebraty & Lobre-Lebraty, 2013)

According to Koch & Siering (2015), the success of crowdfunding projects can be increased by focusing on using appropriate descriptions of the project and being active on the platform in use. To attract attention to a project, pictures and videos along with text are especially useful. One more crucially important factor in being successful in crowdfunding is to be active on the crowdfunding platform, which has been found to promote the success of crowdfunding projects. (Koch & Siering, 2015)

Before the release of xHigh5's first album, a crowdfunding platform Indiegogo was used to bring more funds to producing the music video and the mini album. The funds raised through the campaign were 227€, which is only a small portion of the flexible goal set at 6,500€. The poor result of the crowdfunding campaign is most likely due to the limited audience around the time the campaign was launched, as it was before xHigh5's first music video and mini album were released when they were only known as a K-pop dance cover group. For future promotions, more funds can be expected to be raised, as their popularity has grown since the releases.



### **3.3.3 Crowdsourcing and Innovation**

To provide a solution to technical or conceptual problems, crowdsourcing and innovation can be used. The term “idea-selling” is also used, as organizations use the consumers to provide ideas and suggestions. Testing ideas suggested by others on the consumers also falls under the crowdsourcing and innovation category. However, the expertise of the crowd is not often on par with that of the organizations’. (Lebraty & Lobre-Lebraty, 2013)

Crowdsourcing combined with innovation can be utilized in a way that uses a large crowd to provide suggestions and new ideas, which can then be turned into commercial assets of the company. It can also be utilized to experiment with the ideas of other, third-party companies to determine whether their ideas are interesting enough to pursue or not. This function is called an “idea-seller”, and it is a service function. (Lebraty & Lobre-Lebraty, 2013)

Not to be confused with the word invention, innovation has an association with the idea of progress. Expressions of the crowdsourcing participants’ expectations in regards to innovation are essentially a value-creator for organizations. (Lebraty & Lobre-Lebraty, 2013)

One of the potential pitfalls of this crowdsourcing method is the possible participants’ worry of having their ideas stolen without compensation. While this thought is fast in people’s minds, ensuring fair and correct transactions between the crowd and the organization will attract a more voluminous crowd to provide solutions to the crowdsourced activity. This will, in turn, result in the interest of companies to propose problems, and eventually increase the revenue of the platform. Even one mistreated individual of the crowd can ruin the platform with public complaints, which is the reason precise legal framework is needed. (Lebraty & Lobre-Lebraty, 2013)

Having little resources, xHigh5 could benefit from using this method to receive ideas that would provide the group with, for example, ideas for songs, concepts or choreographies. Turning to fans for help, launching an innovation competition could bring the group to the attention of a larger crowd, which would presumably result in more views and eventually more followers and an increase in sales. Pursuing new ideas through

crowdsourcing innovation could also be used as a marketing research strategy, to gain an insight on what the expectations of the group's fans are.

### **3.4 Crowdsourcing and the Music Industry**

Crowdfunding platforms, such as Kickstarter, Patreon, Pledgemusic, and Indiegogo, have been utilized by musicians for years in funding their new projects, including albums, tours, and live events. On Kickstarter, music belongs to the most successful categories, as over 50% of these campaigns reach their crowdfunding goals. The reason for the success of these projects is the small scale and lower goals. (Dredge, 2016)

### **3.5 Crowdsourcing and Fandoms**

Due to fans' predictable buying habits, marketing has found benefits in fandoms. Recently, it has become common to launch a marketing campaign including, for example, matching social media content, a contest for the fans and a crowdsourcing initiative. Understanding the fans motivations and passions behind the engaged behavior assists in creating authentic interactions between the fan object and the fan. By permitting fans to collaborate on the creation of the fan object's meaning, marketers can utilize the variety of experience and backgrounds of the fans to create a context that just one marketing team cannot provide. (Fraade-Blanar & Glazer, 2017) This is a form of crowdwisdom, that is especially useful in the marketing of a fan object, such as a band.

Ultimately, the crowd in the crowdsourced marketing of xHigh5 will mostly consist of their existing fans and then expand to the fans yet to be acquired.

## **4 MARKETING PLAN**

The main goal of developing strategic marketing plans is to establish, build, defend and maintain the organization's competitive advantage. A marketing plan needs to conclude the organization's competitive position; its aimed position in the future as well as the competitive environment it is currently positioned at. To formulate a marketing plan,

one should understand the organization's ways to respond to external trends, and utilize several processes and techniques that assist in understanding these trends. (McDonald, 2006)

Although there has been debate over whether competitive advantage can be the result of a few specific formulae or not, it is agreed that strategic marketing planning is a convenient process to use while formulating strategies, if the process is adapted to the organization in question. (McDonald, 2006)

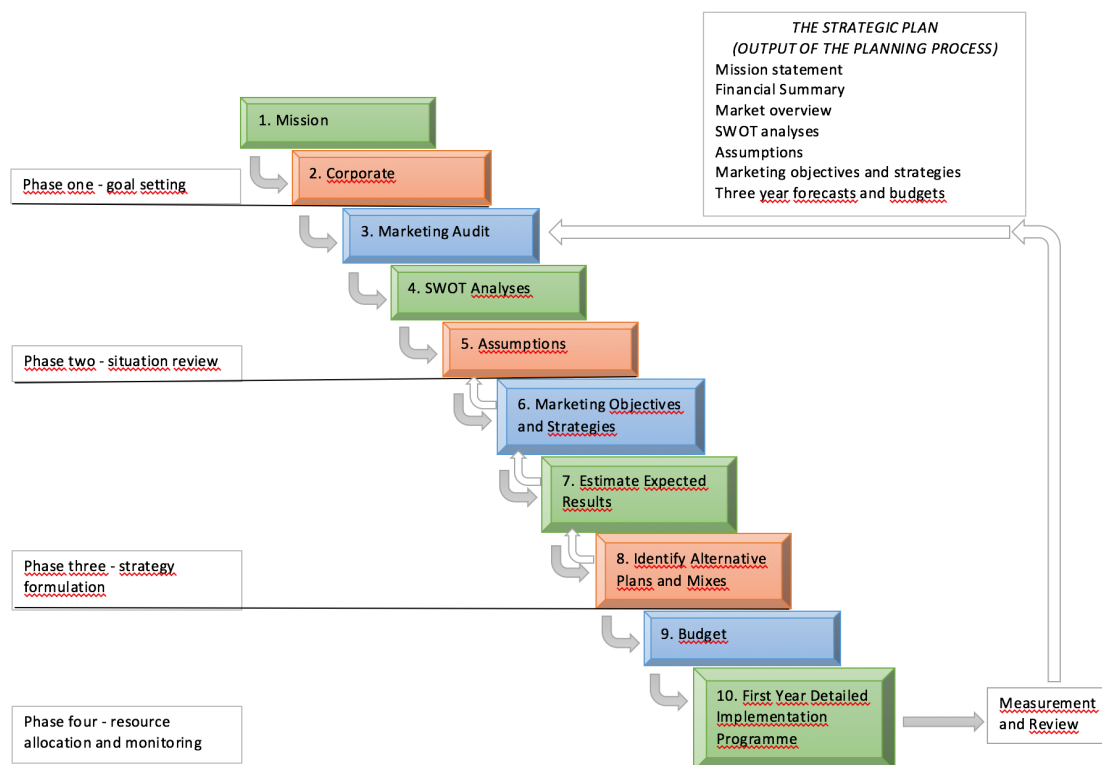


Figure 2. The ten steps of the strategic marketing planning process (McDonald, 2006. p. 380)

Marketing planning can help managers think systematically, and most managers acknowledge the need for a marketing planning procedures (McDonald, 2006). The output of the planning process, illustrated in Figure 2, is the marketing plan, which, according to McDonald (2006), should include mission statement; financial summary; market overview; SWOT analyses; assumptions; marketing objectives and strategies; and three-year forecast and budgets.

When comparing Figure 2 with Brady's (2016) suggested structure for a marketing plan, the basic structure is very similar. The main outcome of the marketing plan includes listing the goals, explaining the research, explaining the strategy, defining key performance indicators and measurement, and listing overarching strategic and tactical plans. Essentially all the listed outcomes are included in McDonald's (2006) graph (Figure 2) in the section "The Strategic Plan". (Brady, 2016)

It is important that the marketing plan remains a working document, as the future cannot be predicted. Thus, the marketing plan should be transparent and be used as a reference through the period it is crafted for, usually a year, and to be available to all members contributing to the team. To benefit from the marketing plan, one should remember that it is, in fact, a guide and not a non-adjustable action plan. (Brady, 2016)

#### **4.1 The Importance of a Marketing Plan for Bands**

To be successful, a band should be considered a small business and managed accordingly – while distributing music, the sales and growth acquired are a result of the business-like activities completed. Meticulous planning of a business strategy can assist a band's chances of breaking through in the continuously altering industry. By taking a practical approach to business planning for the band; including legal, financial, and marketing perspectives; long-term success can be achieved. (Bannon, 2013)

According to Rubright (2016), prospering in the music industry rarely happens through simply releasing songs, and expecting a representative of a music label to discover the music, or going viral. To differentiate oneself from these kinds of bands by utilizing marketing tactics, one should consider band as a business.

Both Bannon (2013) and Rubright (2016) address the importance of fans – internet having given consumers the resources to purchase desired music, which leads to a possibility to generate a market for every music release. The identification of the band's unique selling points (USPs) is essential to make the appeal of the band stand out from its competitors (Bannon, 2013). Another important tool in band marketing is the utilization of social media to enhance fan engagement (Rubright, 2016).

The goal of music marketing is not only to gain more fans but also making new releases available and easily discoverable to already existing fans. The key to availability is to have the content on the right distribution channels so that the existing fans will not bypass it. Download and streaming services are where most people find music, and some may find it through the band's website. (Rubright, 2016)

## **4.2 The Structure of xHigh5's Marketing Plan**

While forming the structure for xHigh5's marketing plan, the author chose elements from McDonald's (2006) structure for marketing plans, while taking into consideration Brady's (2016) note on marketing plans being working documents that should be edited. In the case of xHigh5, the marketing plan differs from a traditional marketing plan quite remarkably, as it is focused solely on crowdsourcing marketing methods and will be focusing on the marketing of one specified product – the new release of xHigh5 – as well as the band itself. Thus, it does not follow McDonald's (2006) structure seen in Figure 2 in detail. After taking into consideration the crowdsourcing focus of the marketing plan as well as the budget of xHigh5, the structure was laid out as seen in Figure 3.

### **4.2.1 Introduction**

As its name suggests, an introduction gives the reader an insight to the subject. In xHigh5's case, the group and their activities are briefly described to give a solid understanding of who they are and what they do. This section only mentions marketing, and does not discuss it in greater detail.

### **4.2.2 Market Analysis**

In xHigh5's case, the data available for this research was quite limited. Thus, demographics, the consumer needs and wants, and the market competition are covered in the marketing plan, none of them in depth. As more data becomes available, more sections will be included to gain a deeper and a more accurate understanding of the market.



Figure 3. The Structure of xHigh5's Marketing Plan

### 4.2.3 SWOT-Analysis

At this point of xHigh5's career, the SWOT-analysis conducted focuses on xHigh5 in general and no different analyses are made for different segments as suggested by McDonald (2006), as the segments have not been outlined. The SWOT-analysis is laid out in a table, with strengths, weaknesses, opportunities and threats taken into consideration.

### 4.2.4 Previous Sales & Budget

In this section, the previous sales of xHigh5 are discussed, along with the budget for the future marketing efforts. However, as the marketing plan was crafted based on

crowdsourcing methods and there is no actual budget specified, this section is extremely brief and is included only because it can be edited in the future according to xHigh5's needs.

#### **4.2.5 Audience**

Despite not being a part of McDonald's (2006) suggested structure for marketing plans, this section is included to assist in reaching a bigger audience, as it supposedly results in an increase in sales. Also, as Bulut (2017) mentioned in the e-mail interview, it is important for artists to have an active fanbase, and this section helps in that by providing a suggested timetable for social media publications.

#### **4.2.6 Strategy: Crowdsourcing**

This section discusses the three utilizable crowdsourcing methods as explained in chapter 3: crowdfunding, crowdsourcing and innovation, and crowdwisdom. Each of these methods are outlined under their own subheadings, and described in a way that will provide xHigh5 with an understanding on what these methods are, how they should be used, and why they should be used. Including examples, the crowdsourcing strategy is formed for xHigh5. It excludes all other marketing methods, except for crowdsourced methods.

#### **4.2.7 The Implementation of the Strategy**

This section further explains the strategies and is a good base for a future action plan for xHigh5's marketing efforts. It includes a request of making a schedule and considering the three crowdsourcing elements that are a part of the strategy. Along with the crowdsourcing elements, updates on social media are mentioned. The actual implementation of the strategy is up to the management of xHigh5.

#### **4.2.8 Key Performance Indicators**

Key performance indicators (KPIs) help in recognizing the success of xHigh5. Similar to the Previous Sales and Budget section, this section will gradually become more im-

portant for xHigh5, hence its inclusion in the marketing plan. It is difficult to find other KPIs than social media followers and sales, which is the main reason this section is very brief, and is included so that it can be better determined in the future.

#### **4.2.9 Goals**

Although Bulut (2017) states that numbers are not the main focus in xHigh5's marketing, goals were identified for the purpose of measuring the success of the marketing efforts undertaken based on the plan. Having goals also serves as a good basis for motivation.

#### **4.2.10 Additional Suggestion**

The additional suggestion was included by the author because of its potential to attract large numbers of people and to increase the exposure of xHigh5 globally. It is by no means a crowdsourced method; hence it is mentioned as the very last possibility to take into consideration.

## **5 XHIGH5'S MARKETING PLAN**

As a result of this thesis work, a marketing plan focused on crowdsourcing was created to provide guidance and support on the marketing of the future releases, including but not limited to the upcoming comeback, of xHigh5. As the marketing plan focuses on the crowdsourcing methods, as well as social media, the marketing plan will not be very thorough and no financial plan will be included.

Like any marketing plan, this marketing plan may be edited and adjusted along the marketing process, and thus, is not a complete and final document. All the final decisions on how this plan is used will be made by the management of xHigh5.



## **5.1 Introduction**

xHigh5 is a K-pop style girl group from Germany, with four active members. All xHigh5 members are between 16-18 years old, and three of them are ethnically Vietnamese. After gaining popularity on YouTube by making dance covers of Korean pop-songs, xHigh5 was discovered by Mehtap Bulut of MoonCloud Entertainment and have since made their musical debut with the mini-album “First Try to Love” in December 2016. Along with the 4-track album, the group also released a self-choreographed music video of their song “Game B.O.Y” on their YouTube channel.

xHigh5 has been planning for a new comeback since June 2017. This marketing plan was created to help in the marketing of the upcoming album and the new music video by identifying and explaining the marketing methods which are affordable in the case of xHigh5. The aim of the marketing efforts is not only to increase the sales of the group but to create a broader and an active fanbase for the group. Thus, the focus of this marketing plan will be crowdsourcing – it is affordable; it can be used to engage existing fans; and if conducted in the right way it can help xHigh5 to reach several new fans and to increase their sales.

As of 5<sup>th</sup> of December 2017, xHigh5’s YouTube channel has reached the 1,100-subscriber milestone, they have over 279,000 views on their videos in total, and their debut music video “Game B.O.Y” has obtained over 4,300 views. The video with most views on xHigh5’s channel is a dance cover of a K-pop girl group Twice’s song “Cheer Up” with 71,000 views. xHigh5 also has over 600 likes on their Facebook page, 850 followers on Twitter and over 600 followers on Instagram.

## **5.2 Market Analysis**

### **5.2.1 Market Demographics**

The current measurable data available only reveals the locations where xHigh5’s songs have been streamed and purchased, as seen in Figure 6. Germany, where the group is based, is the source of the most streams and downloads. The second notable location is

the United States, with the second most streams of xHigh5's songs. However, the number of streams in the United States, a total of 20 streams, pales in comparison with the streams in Germany, a total of 813 streams. The logical conclusion of this comparison is that xHigh5's fanbase is mostly German as of now.

As for other demographics, including the sex of the listeners, and their age, cannot be identified. To further improve the marketing process by enabling the use of web analytics should be executed. Through more extended analytics, it will then be possible to distinguish more information on the demographics of xHigh5's fans and thus make the marketing process be aimed at the carefully determined target market.

### **5.2.2 Consumer Needs and Wants**

A thorough market research should be conducted to properly identify the target market xHigh5 has the most potential to penetrate, as well as the needs and wants of the said market. With little knowledge on the subject, it is impossible, apart from location, to accomplish a full understanding of the audience's needs. After the new release of xHigh5, it should then be easier to identify the different qualities of the fanbase as more information will be available for analysis.

To address the assumptions of market needs, xHigh5's music should be available on as many platforms as possible. Providing good quality recordings to these platforms will guarantee the audience a good listening experience. The pricing of xHigh5's downloads should also be looked into, and a competitive pricing policy should be decided upon.

### **5.2.3 Market Competition**

As xHigh5 aims to be a truly international group, their competition is essentially any recording pop-music artist in the world. However, as versatile as their songs are, their concepts, choreographies, and even the songs are made in similar style as K-pop – it is also very rare to have a girl band in which all the members sing in all the songs, and dance simultaneously. While this helps in determining the audience and in narrowing down the target market for xHigh5, it is also a challenge. While K-pop is increasingly

popular worldwide, it is not granted that the fans of K-pop will discover and like xHigh5.

To attract more attention than their competition, xHigh5's unique selling points (USPs) should be identified and promoted. Through SWOT-analysis (see section 5.3), the strengths of the group can be addressed, and the UPSs can be developed taking these strengths into consideration.

### 5.3 SWOT-Analysis

To better formulate the marketing plan, a SWOT-analysis was made to help in identifying essential information to take into consideration in the marketing of xHigh5. The SWOT-analysis was constructed in the form of a table, which can be found below.

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Unique appeal and concept</li> <li>- Versatility regarding different music styles</li> <li>- Presence in social media</li> <li>- An existing fanbase</li> <li>- Internationality – 3 of the members are Vietnamese</li> </ul>	<ul style="list-style-type: none"> <li>- Low budget</li> <li>- Lack of time</li> <li>- Inflexible schedule</li> <li>- “Only a Dance Group”</li> <li>- Lack of offline promotions</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>- Internet as the main platform for promotions</li> <li>- Fan engagement through social media platforms</li> <li>- Availability</li> <li>- Internet marketing</li> <li>- Improved quality of the music and videos</li> <li>- Fans unwilling to buy content can get involved by crowdsourcing methods</li> </ul>	<ul style="list-style-type: none"> <li>- Members' ages limit their opportunities timewise</li> <li>- Uncertainty of how many engaged fans there really are</li> <li>- Young fans may not be able to support xHigh5 financially</li> </ul>

Figure 4. SWOT analysis of xHigh5

## **5.4 Previous Sales & Budget**

The previous digital sales of xHigh5 are 14€ in total. This can be seen in Figures 2 and 3. The most popular platforms used when streaming xHigh5's songs are Spotify with a total of 659 streams and iTunes with a total of 115 streams. The number of downloads is significantly lower than the number of streams, with 8 purchases through Amazon, 5 through Google Music, and 4 through iTunes. These downloads, however, have brought more money in than all the streams combined.

xHigh5 also sold some physical copies of the album and raised 227€ on their crowdfunding campaign on Indiegogo, which is 3% of their initial goal of 6,500€.

The budget to use in the marketing of xHigh5's new album and music video is not specified, so the focus of this marketing plan will be crowdsourcing methods that are free or low-cost to use. Funding the marketing efforts from private assets can be done as well (for example to advertise on Facebook and Instagram). A more precise budget can be stated once the crowdfunding campaign has been implemented and the final funds gathered from the campaign can be estimated.

Detaillierte Verkaufsberichte					
<div> <div> <div>First Try to Love</div> <div>▼</div> </div> <div> <div>---</div> <div>▼</div> </div> <div> <div>---</div> <div>▼</div> </div> </div>					
GESAMT	STREAMS	EINNAHMEN AUS STREAMS	DOWNLOADS	EINNAHMEN AUS DOWNLOADS	
€ 14.00	847	€ 2.67	17	€ 11.34	
TRACK	STREAMS	EINNAHMEN AUS STREAMS	DOWNLOADSEINNAHMEN AUS DOWNLOADS	GESAMTEINNAHMEN	
Game B.O.Y.	198	€ 0.40	5	€ 3.35	€ 3.75
Good Night	196	€ 0.51	4	€ 2.66	€ 3.17
Shut Up	184	€ 0.43	4	€ 2.66	€ 3.09
Without You	269	€ 1.32	4	€ 2.66	€ 3.99
STORE	STREAMS	EINNAHMEN AUS STREAMS	DOWNLOADSEINNAHMEN AUS DOWNLOADS	GESAMTEINNAHMEN	
Spotify	659	€ 1.55	0	€ 0.00	€ 1.55
Amazon	0	€ 0.00	8	€ 4.40	€ 4.40
Tidal	6	€ 0.04	0	€ 0.00	€ 0.04
iTunes / Apple	115	€ 1.07	4	€ 2.84	€ 3.91
Google Music	67	€ 0.01	5	€ 4.10	€ 4.10

Figure 5. xHigh5's sales as of 17 November 2017 (Part 1)

LAND	STREAMS	EINNAHMEN AUS STREAMS	DOWNLOADSEINNAHMEN AUS DOWNLOADS	GESAMTEINNAHMEN	
Germany	813	€ 2.57	13	€ 8.50	€ 11.07
United States of...	20	€ 0.06	0	€ 0.00	€ 0.06
New Zealand	2	€ 0.01	0	€ 0.00	€ 0.01
Austria	5	€ 0.01	0	€ 0.00	€ 0.01
Panama	1	€ 0.00	0	€ 0.00	€ 0.00
Mexico	1	€ 0.00	0	€ 0.00	€ 0.00
France	1	€ 0.00	0	€ 0.00	€ 0.00
Australia	1	€ 0.00	0	€ 0.00	€ 0.00
Philippines	1	€ 0.00	0	€ 0.00	€ 0.00
Finland	2	€ 0.00	4	€ 2.84	€ 2.84

Figure 6. xHigh5's sales as of 17 November 2017 (Part 2)

## 5.5 Audience

### 5.5.1 Current Audience

As it is difficult to measure the actual number of fans, we can conclude that xHigh5's followers on different social media channels as well as YouTube are their current audience. However, when comparing the numbers of social media followers (see Appendix B & C) with the streams and downloads of xHigh5's first album as seen in Figures 4 and 5. This is most likely due to the public's perception of xHigh5 – they began their career by making dance covers of popular K-pop songs, so most of their audience still considers them a dance cover group and not a recording artist.

### 5.5.2 Fanbase Development

Ultimately, gaining more fans results in increase in sales. Along with the crowdsourcing methods suggested in the next section, the fanbase of xHigh5 can be developed through active interactions with the fans through social media. Thus, a social media strategy is to be implemented. The crowdsourcing marketing efforts should also be endorsed through the group's social media to reach out to the fans directly.

The following schedule includes the three social media channels currently used by xHigh5. It is based on Ellering's (2017) online blog post about the best times to post on each of the social media channels.

*Table 1. Best times to post on social media (Ellering, 2017)*

<b>Social Media Channel</b>	<b>Suggested Weekday</b>	<b>Suggested Time</b>
Facebook	Saturday, Sunday	12-13
Facebook	Thursday, Friday	13-16
Facebook	Wednesday	15
Twitter	Wednesday	12; 17-18
Twitter	All weekdays	2-3; 6-7; 21-22
Instagram	Monday & Thursday	Anytime, except 15-16
Instagram (videos)	All days	21-8

The times identified in the table are not based on the followers of xHigh5's behavior on social media, but are rather general. To achieve the best outreach through social media, xHigh5 needs to experiment with different channels and find the times that work best for them. The key to engaging the fans is being active, so xHigh5 should distribute the management and updating of social media among the members to ensure their constant presence online.

## **5.6 Strategy: Crowdsourcing**

After considering the undefined, yet minimal, budget, it was decided to make this marketing plan solely focused on methods that are either extremely low cost or require zero input of monetary assets. Thus, the plan will consist of crowdsourcing marketing methods as well as social media marketing.

### **5.6.1 Crowdfunding**

As the budget of xHigh5 can result in limitations, it is important to plan and launch a crowdfunding campaign to help with funding the production and marketing, as well as other miscellaneous costs that may emerge. To seek for funding from fans, social networks should be used.

The steps to be taken when creating a crowdfunding campaign for xHigh5 are the following.

1. Creating appropriate descriptions of the project
  - a. Create a convincing and concise description
  - b. Create a broader description that aims to engage people with xHigh5
2. Include high-quality photo and video content
3. Include rewards that appeal to the fans
4. Schedule regular updates to be executed on the crowdfunding page and act accordingly

Following these steps, the crowdfunding campaign can be expected to attract attention to the project and thus, more funds can be expected to be raised.

### **5.6.2 Crowdsourcing and Innovation**

Crowdsourcing and innovation, also known as “idea-selling”, can benefit xHigh5 in obtaining desirable songs and ideas for album concepts, choreographies, and additional activities. By launching an innovation competition not only will xHigh5 gain valuable ideas, but the fan engagement will also be enhanced.

Crowdsourcing the creation of either a full choreography or a point move of a choreography may very well attract not only the existing fans but potential new fans as well. By having a choreography creating competition, xHigh5 would gain various ideas that they can use in the choreographies of their upcoming songs, as well as the already existing ones.

One option is to release a sneak peek of the new title track and request submissions of point moves to that particular part of the new song. The activity could be directed to those, who have dancing as their hobby, but also to the general public. By sharing the contest online, it is likely to reach other groups that make dance covers of K-pop songs, and will likely make them want to take part in the creation of a choreography, provided that they will be appropriately credited and compensated. This compensation could be a chance to promote their own YouTube channel (if they have one) on xHigh5’s YouTube channel, and xHigh5’s new album signed by the members.

Another option is to hold a competition to create a full choreography to an existing song of xHigh5. This option has the potential to attract passionate dancers, who would like to establish themselves as dancers or choreographers. As a compensation, the winner’s YouTube channel can be promoted on xHigh5’s channel, and the full choreography video can be uploaded to xHigh5’s channel as well.

While idea-selling is a good way to involve the crowd in creating something new for xHigh5, the conduction of the said activity needs to be designed well. Responding to the



potential participants' worry of having their ideas stolen, the rules and prizes should be made fair and clear from the beginning. Also, the execution of the suggested crowdsourcing and innovation activities should be scheduled carefully.

### **5.6.3 Crowdwisdom**

Before the release of new songs, albums, and music videos, the fans of xHigh5 can be encouraged to voice out their opinions on what kind of music they would like to hear. Thus, market research can be conducted through involving the existing fanbase, to take their opinions into consideration. This can help in positioning the group in the global market.

The crowdwisdom method could also be used to experiment with the fans' opinion on a preview of the upcoming comeback and ask them for feedback, which can then be used to improve the comeback.

To better be able to reach the existing fans, an email mailing list should be established. While reaching out to fans through social media has the potential to reach more people than just the existing fans, an email is more personal and is likely to result in more responses. Utilizing crowdwisdom can also help in establishing xHigh5's public image as a recording artist, as their fans will be notified of the new project in planning while seeking their opinions.

## **5.7 The Implementation of the Strategy**

### **5.7.1 Crowdsourcing**

In order to gain full benefit of the crowdsourcing methods described in more detail in section 5.6, xHigh5 should make a schedule with the following considerations:

1. The crowdfunding campaign described in section 5.6.1 is to be launched well before the project is complete to ensure the maximum amount of monetary assets can be achieved in the form of external funding. Ideally, the crowdfunding

campaign is published and promoted as soon as the project is seriously being planned.

2. The timing of crowdsourcing and innovation campaigns can vary depending on the circumstances. The best timing for a crowdsourced competition (see section 5.6.2), such as a choreography competition, depends on the purpose of the competition. Are the submissions needed prior to the new release? Will the competition attract more submissions if published after the new release?
3. Conducting market research through crowdwisdom methods described in section 5.6.3 should be done at all times. By simply asking people to join an email mailing list, the fans can be reached more effortlessly. Sending surveys and utilizing email marketing can be then conducted and directed to a group that has specifically subscribed to xHigh5's mailing list. The fans should also be approached through social media to encourage sending in some creative feedback.

### **5.7.2 Social Media**

The social media updates of xHigh5 should be scheduled and planned. By experimenting with the best times to post on each of the social media channels in use, the time that evokes the most interactions (likes, comments, new followers, etc.) is to be identified. Starting with the times compiled in Table 1, xHigh5 can distribute the responsibility of their social media updates between the members as desired.

The channels should be connected to enable sharing the new content easily and simultaneously on each social media. When posting on Instagram, for example, the post can be set to be released on Facebook and Twitter as well. The purpose of posting the same content on all possible social media channels is to maximize the number of people reached.

## 5.8 Key Performance Indicators

Along with the sales and streaming of xHigh5's songs, the KPIs in xHigh5's case are the numbers of followers on different social media channels as well as the subscribers on their YouTube channel. To measure the success of xHigh5, these are currently the only statistics available to indicate the success rate of the group.

## 5.9 Goals

The goals of this marketing plan are to gain more recognition and fans to xHigh5, which will then be seen as an increase in album sales, downloads, music video views, subscribers, followers, and so on. While the goals are flexible, the author recommends setting a minimum goal of 20% increase for the sake of measuring success, which will prove to be helpful when the marketing plan is edited or a new marketing plan is to be created.

To calculate the increase of followers, the following formula will be used:

$$y = x * 1.2$$

In the formula, the two variables  $y$  and  $x$  can be found. The variable  $y$  represents the new number of followers, and  $x$  the current number of followers. 1.2 represents the percentage (120%) by which the variable  $x$  is multiplied with to find the value  $y$ , which also is the goal.

Based on tables 2 and 3, the goals that can be measured through social media statistics are as follows:

1. 20% increase in Facebook likes:

$$y = 619 * 1.2 \approx 743$$

Thus, the number of likes on Facebook is expected to increase from 619 likes to 743 likes.

2. 20% increase in Instagram followers:

$$y = 617 * 1.2 \approx 741$$

Thus, the number of Instagram followers is expected to increase from 617 followers to 741 followers.

3. 20% increase in Twitter followers:

$$y = 850 * 1.2 = 1020$$

Thus, the number of Twitter followers is expected to increase from 850 followers to 1,020 followers.

As for the fourth distribution channel that is used by xHigh5, YouTube, two different aspects will be considered. First and foremost, the number of the music video views – the goal is to make the new music video reach 20% more views than the first one did. Secondly, the increase of YouTube subscribers should increase by 20%.

1. 20% increase in the views of the new music video in comparison to the first music video:

$$y = 4316 * 1.2 \approx 5180$$

Thus, the number of views on the new music video is expected to be 5,180 in order to reach the set goal.

2. 20% increase in the subscribers of xHigh5's YouTube channel:

$$y = 1113 * 1.2 \approx 1336$$

Thus, the number of YouTube subscribers is expected to increase from 1,113 to 1,336 in order to reach the set goal.

The reason for leaving out the total views of the videos on xHigh5's YouTube channel was to exclude the possibility of confusing the success of xHigh5's own music with the success of their existing and upcoming dance covers. Also, no goals are set regarding the sales of xHigh5 as of now. This aspect of the marketing plan will be fulfilled as time passes and the goals are decided upon.

## **5.10 Additional Suggestion**

Tapping the Asian market has the potential to grow xHigh5's fanbase phenomenally. As there are over 400,000,000 monthly activities on Chinese streaming service QQ Music, the equivalent to Spotify (Ho, 2016), distributing xHigh5's music in the Chinese streaming service is likely to bring in more revenue than it will if only included in the Western music streaming services.

If the budget so allows, the author would like to suggest distributing not only the music but the music videos on Chinese social media channels as well. To overcome the language barrier, it is advisable to outsource the distribution of the releases to a knowledgeable company, who can help in translating the marketing materials to Chinese, as well as choosing the right media to focus on.

## **6 CONCLUSION**

The main goal of this research was to create the very first marketing plan for the girl group xHigh5. With the guidance of the two research questions, the author was able to identify those crowdsourcing methods that assist in the promotions of xHigh5 affordably, help in drawing more attention to the group from the public, and promote the increase of fans, and thus, sales.

The research indicates that there are multiple ways of crowdsourcing to use affordably in the marketing of the girl group xHigh5. In addition to the three utilizable crowdsourcing methods, it was identified that social media is a crucial part in music marketing, as it is a way to engage the fans and to encourage them to interact with the group, as well as to follow the group's activities in a continuous manner.

Because crowdsourcing takes place where outsourcing of a task, the social web, and a crowd intersect (Saxton et al. 2013), covering social media in the crowdsourcing marketing plan is not far off from an exclusive crowdsourcing plan. However, the fact that social web is only a part of crowdsourcing cannot be dismissed. The presence of social media in crowdsourcing efforts is inevitable, which is the reason for the inclusion of social media in the marketing strategy for xHigh5.

The steps in the crowdfunding strategy laid out in section 5.6.1 are based on the recommendations of Koch & Siering (2015) that comprise of detailed descriptions, undergoing updates actively, as well as including pictures and videos with text. By following the suggested steps, a more successful crowdfunding campaign is to be expected. As xHigh5's campaign is both small-scale and has lower goals like many music-related crowdfunding campaigns, as defined by Dredge (2016), it has potential to raise funds successfully.

The interesting concept of "idea-selling" can bring new, valuable knowledge and ideas to xHigh5's song and video concepts. Even though the expertise of the crowd may not exceed the expertise of the organization (Lebraty & Lobre-Lebraty, 2013), the fans are likely to offer more valuable insights than experts do, seeing that they are the consumers of the final product – xHigh5's music. In the marketing plan presented in chapter 5, the author has contemplated on some possibilities in utilizing the crowd as idea-providers by creating competitions.

Connecting with the fans prior to xHigh5's new releases to obtain information about their wishes and opinions would be of great help in understanding the fans, and as Lebraty & Lobre-Lebraty (2013) state, due to the democratization of the internet, a good rate of responses can be anticipated.

Bulut (2017) addresses the importance of an active fanbase in the e-mail interview conducted for the purpose of creating a functional and effective marketing plan for xHigh5. Thus, all the methods – crowdfunding, crowdsourcing and innovation, and crowdwisdom – that were chosen to be used in the marketing of xHigh5 aim for better fan engagement. Consequently, one of the future goals of xHigh5 could be to develop their fanbase so that it is easily utilizable to take part in the marketing efforts of xHigh5 while feeling more engaged with the fan object.

Despite the effectiveness and affordability of crowdsourcing, taking some chargeable marketing methods into consideration could help in improving the availability of xHigh5 regarding the greater public, not only their fans who already follow the group on social media. As Bulut (2017) suggests in the interview, xHigh5 could spend some funds on buying advertisements for social media services, such as Facebook. Presumably, these marketing efforts will need a more thorough research to be conducted to properly identify the target market, as to achieve the best plausible return on investment.

Evidently, the marketing plan of xHigh5 still lacks in-depth information of the market, the final schedules for executing the planned marketing methods, as well as a thorough design of each crowdsourcing campaign. These shortcomings will be overcome when the plan is further developed and put into action. On the whole, it provides MoonCloud Entertainment with a useful framework for further planning of xHigh5's marketing, and will favorably contribute to the group's success, as well as MoonCloud Entertainment's.

## **6.1 Suggestions for Further Research**

As identified before, there is a fine line between crowdsourcing as a marketing method and social media marketing. To add to the mix, viral marketing is also strongly associated with social media marketing. A crowdsourcing campaign has the potential to go viral, too, which demonstrates the broad concept of viral marketing. Although viral contents are often not intended to go viral, and cannot be repeated (Fraade-Blanar & Glazer, 2017), considering the possibility of xHigh5 to go viral is convenient to consider while

developing the marketing plan. While conducting research of viral marketing, a strategy for the possible exponential growth in xHigh5's exposure can be made, and in the event of going viral, the marketing methods can be adjusted and executed rapidly to maximize the effectiveness of the efforts.

To better be able to identify the correct marketing methods, a more thorough research on the consumer demographics should take place. By acquiring more information about the consumers, a target market can be identified more easily, and the marketing efforts can be designed accordingly.

Lastly, the author would like to address the importance of treating the marketing plan as a guideline for xHigh5's marketing that should be continuously edited as best fit in regard to the planning, the execution, and the post-execution of the plan, and can be used to evaluate the success and failures of the marketing efforts.



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## APPENDICES

### Appendix 1. Interview

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#### INTERVIEW GUIDE: Marketing Plan for xHigh5

**Interviewer:** Salla Niemi, BBS Student, Arcada University of Applied Sciences  
salla.niemi@arcada.fi

**Interviewee:** Mehtap Bulut, founder of xHigh5 and MoonCloud Entertainment  
mooncloudent@gmail.com

**Date of the interview:** November 16, 2017

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#### Part 1: Background

Q1: Please describe who you are and what is your relation to xHigh5.

A1: I am the founder of MoonCloud Entertainment and manager of xHigh5. They are originally a dance group from Chemnitz in Germany who occasionally post vocal cover on their YouTube channel, as well. When I came across their vocal cover of BLACK-PINK's "Whistle", I contacted them because I saw their great potential. They were and still are considerably young, so we discussed the girl group project thoroughly before we started working on their musical debut. So next to being their manager, I also function as a supervisor, coordinator, A&R, songwriter and am in charge of accounting and administration.

Q2: In your opinion, how successful is xHigh5 now?

A2: It depends on the definition of success. With their first mini album which we released back in December 2016, we were able to strengthen their already established fan base and also attract new followers. There was a slow but steady increase in the amount of followers on their SNS (Facebook, Instagram, YouTube), but I think people are still

learning to see them as a vocal group instead of “only a dance group”. So it will take some more time to establish this public image.

Q3: How would you describe xHigh5’s potential to succeed?

A3: They are young, pretty and talented - both in singing and dancing. The initial idea for their musical debut was to base their concept on Korean Pop music – not language wise but considering the combination of singing, rapping, dancing and visuals. Hence, we also have two main vocalists and two “rappers” in the group. I think through the songs on the first mini album, we covered a variety of styles (cute/colorful, ballad, fierce, sexy), so the girls proved how versatile they are. I think this is also a great quality to achieve success.

## **Part 2: Marketing**

Q4: Has there been any marketing methods implemented in promoting xHigh5?

A4: We mainly used YouTube, Facebook and Instagram as our main platforms to promote the group. We updated regularly in form of member introduction (profiles), teaser pictures, schedules, pictures from the recording, vlogs, dance covers, Q&A videos etc., to enable the audience to learn more about the girls and feel like they are involved in the development up until their musical debut.

Q5: Which marketing methods do you think could be used to promote xHigh5? Which methods cannot be used?

A5: We are looking into marketing trends like Livestreams, also we’d ultimately like xHigh5 to be able to perform their songs live. However, as the girls’ average age is 17 and they are still going to school, we aren’t as flexible in the organization of such events. We also consider using paid ads via Facebook and Instagram to reach new potential fans.

Q6: How do you think xHigh5 could increase their popularity and album sales?

A6: For the comeback, we aim for a better quality (music and video), as well as offering people more in forms of specials, giveaways etc. We want fans to get involved and be

an active part of xHigh5's journey, so tools like crowdfunding could be great opportunities – however only if we can reach enough people who really become active.

### **Part 3: Crowdsourcing & Fan Engagement**

Q7: Do you think crowdsourcing could be of help in promoting xHigh5?

A7: Definitely. The best promotion is people sharing content by themselves, if they like something, they are more likely to support it and even share it with friends. But as previously mentioned, we have to take care of finding and attracting the right audience. In terms of crowdfunding, very young fans for example won't be able to support xHigh5 financially, but if we can offer "free content" like Behind The Scenes videos, dance and vocal covers or photos, even younger fans can get involved in the promotion process by sharing the content.

Q8: Have you heard of some crowdsourcing method that you think could be used? If yes, which?

A8: Crowdfunding and crowd-testing; in this case we could possibly get fans involved by offering an exclusive preview of the comeback single and get their feedback. As for the funding, we could offer them perks like signed goods, personal video messages or even meet & greets.

Q9: How important is it to engage fans to take part in promoting xHigh5?

A9: In this nowadays fast moving world, the success of an artist strongly depends on an *active* fan base. You don't necessarily have to have millions of followers but even hundreds of active fans who are willing to support you, share your content and spend money on you are what matters. Continuity and authenticity are important, so ideally the artist is 'always there', shows the audience what he/she has been up to, just lets them be a part of the whole, which is why social media are a great way to interact with fans.

Q10: Do you see any possible difficulties that involving fans could create in xHigh5's promotions?

A10: Involving more people always needs more time and effort. As our schedule isn't that flexible to begin with, it might be difficult to find a good approach to get many fans actively involved. But in general involving fans is an inevitable option for promoting the girls.

Q11: Do you think xHigh5 could gain an international fan base through crowdsourcing? Why / why not?

A11: Their dance covers of popular K-Pop songs already attracted a large number of viewers, especially from Asia according to the YouTube statistics. Their channel counts over 270.000 views in total. However attracting international fans through their own music seems more difficult, because people don't particularly search for it. Regarding their own releases, I'd say it is still very focused on their German fanbase.

Q12: What is the biggest challenge in gaining more popularity to xHigh5?

A12: Honestly, lack of time and money.

Q13: Could crowdsourcing solve this problem? If yes, how?

A13: Regarding the financial issues, if we could reach a significant amount of people who would like to support the girls financially, it could definitely help in producing and promoting their comeback. As for the time problem, it's an internal matter of managing our schedules.

Q14: Other than solving the problem, how do you think crowdsourcing could benefit xHigh5?

A14: Fans are the carriers of an artist's success, so getting people involved could increase their interest and active participation which ultimately leads to a stronger and active fanbase.

#### **Part 4: Crowdsourcing Marketing Plan**

Q15: What is the goal of xHigh5 in terms of marketing?

A15: We'd like to reach more people in general who enjoy the girls' music and performances. We don't focus on numbers but on the public interest in the group. As previously mentioned, one specific goal would be a live showcase.

Q16: Which key performance indicators (KPIs) could be used in measuring xHigh5's success?

A16: Sales and streaming could be used as indicators as well as YouTube statistics, possibly statistics from other SNS as well, but those are our main statistics.

Q17: What are the funds available to use in marketing? Should the marketing plan focus solely on crowdsourcing methods?

A17: Financing this project is strongly depending on funds from fans, friends and family. Since MoonCloud Entertainment is currently a one-man-business in its very early stages, there's no such thing as a specific budget but we are aware that all future projects will require the input of private assets, too.

Q18: Are there any specific marketing methods that should be used while crafting the plan?

A18: xHigh5 already have an established fanbase which they mainly interact with through social media. So online tools rather than offline promotions should be more in the focus. However, any offline promotion that could help reach the goal is appreciated, too.

## **Part 5: Final Thoughts**

Q19: Is there any other information you wish to convey through this interview?

A19: One more thing to mention, 3 of the 4 girls of xHigh5 are Vietnamese, so maybe it could be an interesting approach to attract an international audience.

Q20: Do you have any other comments or suggestions?

A20: I am looking forward to cooperate and appreciate your efforts. Thank you very much!

## Appendix 2. Social Media Data

Table 2. The Popularity of xHigh5's Social Media Accounts

Social Media	Followers / Likes	Accessed	Link
Facebook	619 / 612	30.11.2017	<a href="https://www.facebook.com/xhigh5">https://www.facebook.com/xhigh5</a>
Instagram	617	30.11.2017	<a href="https://www.instagram.com/xhigh5/">https://www.instagram.com/xhigh5/</a>
Twitter	850	30.11.2017	<a href="https://twitter.com/xhigh5">https://twitter.com/xhigh5</a>

## Appendix 3. YouTube Data

Table 3. The Popularity of xHigh5's YouTube Channel

Sub- scribers	Total Views	Most Views	Views on First Music Video	Accessed	Link
1113	279,499	71,323	4,316	5.12.2017	<a href="https://www.youtube.com/xhigh5">https://www.youtube.com/xhigh5</a>